

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION

IN RE: ROSEWOOD OAKS, LLC                      §    CASE NO. 16-11141  
Debtor    §    CHAPTER 11

MOTION OF THE UNITED STATES TRUSTEE  
TO CONVERT CASE TO A CASE UNDER CHAPTER 7

**This pleading requests relief that may be adverse to your interests. THE UST HAS FILED A MOTION TO EXPEDITE A HEARING ON THIS MOTION. NOTICE OF THE HEARING WILL BE SENT SEPARATELY.**

TO THE HONORABLE TONY M. DAVIS, UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, JUDY A. ROBBINS, THE UNITED STATES TRUSTEE for Region 7 ("UST") through the undersigned counsel and files this Motion to Convert Case to a Case Under Chapter 7 pursuant to 11 U.S.C. § 1112(b)(1), (2), and (3) and Local Bankruptcy Rule 2015(b) and respectfully represents as follows:

1.        The Court has jurisdiction of this matter under 28 U.S.C. § 1334(a) and (b), 28 U.S.C. § 157(a) and (b)(1), 28 U.S.C. § 151, and 11 U.S.C. § 1112(b). This is a core proceeding under 28 U.S.C. § 157(b)(2)(A) and (B).
2.        Rosewood Oaks LLC ("Debtor") filed a voluntary petition under Chapter 11 of Title 11, United States Code on September 30, 2016.
3.        Cause exists to convert this case pursuant to 11 U.S.C. § 1112(b)(4)(C). Debtor testified at the first meeting of creditors that the property was not insured. Subsequently, Debtor's counsel has represented that Debtor cannot obtain insurance. Allowing this case to remain in chapter 11 without appropriate safeguards, such as insurance, on the property has the potential of harm to the estate and prejudice to creditors.

4. Debtor testified that the case was filed to prevent foreclosure. A sale of the property was pending at the time of filing, but Debtor testified that such sale fell through. Debtor has hopes that another sale may be out there, but appears to have agreed that the lack of insurance is cause for the stay to lift and allow the lender to foreclose on the property. Cause exists to convert this case to chapter 7 pursuant to 11 U.S.C. § 1112(b)(4)(A).

6. The UST urges conversion of this case. Debtor scheduled its most valuable asset, the real property, indicating there was equity in the property, which might be of benefit to the creditors of the estate. Despite this, it appears that Debtor has agreed to allow the lender to expedite foreclosure on this property. Even if the secured lender does foreclose on the property, Debtors have miscellaneous personal property, and may have claims against parties that a chapter 7 trustee can investigate that can be liquidated for the benefit of creditors.

7. For cause set forth above, this case should be converted to Chapter 7 pursuant to 11 U.S.C. § 1112(b) and Local Rule 2015(b).

8. In the event of dismissal, the UST requests that the Order provide for payment of any quarterly fees owed to the UST and any noticing fees owed to the Clerk of the Bankruptcy Court at the time of dismissal of the case pursuant to 28 U.S.C. § 1930.

WHEREFORE, premises considered, the United States Trustee prays that the Court convert this case to a case under Chapter 7 for cause under § 1112(b). The UST prays for any

and all further relief as is equitable and just.

Respectfully submitted,

JUDY A. ROBBINS  
UNITED STATES TRUSTEE  
REGION 7

By: /s/ Deborah A. Bynum  
Deborah A. Bynum  
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CERTIFICATE OF SERVICE

I hereby certify that I forwarded a true and correct copy of the foregoing United States Trustee's Motion to Convert Case to a Case Under Chapter 7 by prepaid first class mail and by electronic means for all Pacer system participants to the parties listed on Debtor's Mailing Matrix on this the 2<sup>nd</sup> day of November, 2016.

/s/ Deborah A. Bynum  
Deborah A. Bynum

Label Matrix for local noticing  
0542-1  
Case 16-11141-tmd  
Western District of Texas  
Austin  
Wed Nov 2 16:09:32 CDT 2016

ROSEWOOD OAKS, LLC  
9001 Wildwater Way  
Round Rock, TX 78681-3462

U.S. BANKRUPTCY COURT  
903 SAN JACINTO, SUITE 322  
AUSTIN, TX 78701-2450

ADT Security Services  
3190 S. Vaughn Way  
Aurora, CO 80014-3537

AT&T  
Attn: Credit Collections  
P.O. Box 5001  
Carol Stream, IL 60197-5001

American Express Plum  
P.O. Box 26312  
Lehigh Valley, PA 18002-6312

Austin Title Company  
c/o Choate & Associates  
1000 Westbank Dr Bldg One  
Austin, TX 78746-6598

Austin Title Company, party in interest  
3520 Bee Caves Rd., Ste. 250  
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4606 Broadhill Dr.  
Austin, TX 78723-6102

CIT Technologies c/o  
McCarthy Burgess Wolf  
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Wilmington, DE 19850-5123

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1000 Westbank Dr., Bldg. 1  
Austin, TX 78746-6687

Citibank, N.A.  
Citi AT&T Universal Mastercard  
P.O. Box 6235  
Sioux Falls, SD 571175 7 1 1 7-6235

City of Austin  
721 Barton Springs Rd,  
Attn: Legal  
Austin, TX 78704-1145

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Platinum Travel Network  
11130 Jollyville Rd. Ste 303  
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Attn: Bankruptcy Dept.  
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Round Rock, TX 78681-4014

c/o Weldon Ponder  
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Dallas, TX 75254-7021

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P.O. Box 1748  
Austin, TX 78767-1748

United States Trustee - AU12  
United States Trustee  
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Round Rock, TX 78681-3462

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Georgetown, TX 78626-4900

Frederick E. Walker  
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Austin, TX 78746-5126

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d)Can Capital Asset Servicing, Inc.  
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(u)Janette Wallace

End of Label Matrix	
Mailable recipients	39
Bypassed recipients	2
Total	41